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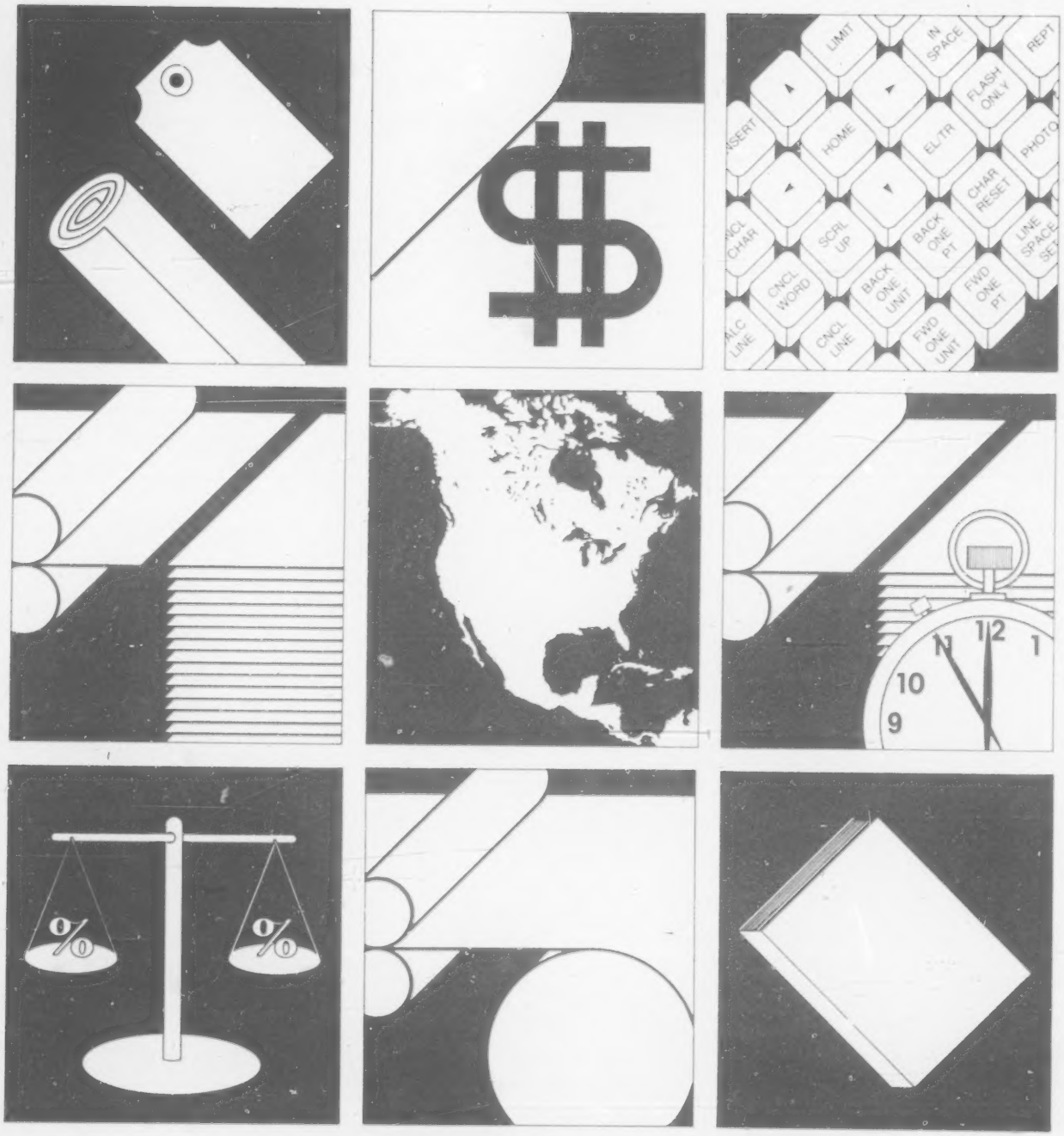
Printing Industries of America, Inc.

1984 Financial Ratios



Volume XI
Typographers' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 12,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

PIA's Financial Services offers the following products and services:

- PrintFinance: PIA in conjunction with Merrill Lynch brings you an innovative, comprehensive financial package called PrintFinance, available only from PIA Financial Services. PrintFinance is a unique competitively priced financial service package developed especially for the printing industry and allied graphic arts firms.
- The Annual PIA Financial Ratio Study - A Multinational Financial Survey
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- Reprints of "Economics and Financial Management" articles from issues of PIA Management News
- Financial Management/Microcomputer Seminars

For further information, contact:

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PIA's Education and Publication Group is active in financial management, offering numerous publications on the subject:

- Best & Worst Markets for Printers in the 1980s (a unique marketing and financial planning aid, available by subscription directly from PIA)
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Running in the Black: Six Steps to Managing Printing Profitability
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
- Tax Planning for Your Graphic Arts Business
- Understanding Value Added
- Value Added Financial Management: A Guide for Printers
- 1981-82 Production Management Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation
- 1984 Executive Compensation Report

These books are available through PIA Affiliated Associations' Graphic Arts Bookstores. For further information, contact:

Printing Industries of America, Inc.
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1730 North Lynn Street
Arlington, Virginia 22209
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61ST annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1984 FINANCIAL RATIOS

TYPOGRAPHERS

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PRINTING INDUSTRIES OF AMERICA, INC.

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Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Printed in U.S.A.

PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

Dear Colleague:

1984 is the 61st year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the U.S. and Canadian graphic arts industries. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the U.S. and Canadian printing industry, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to me at the address above.

William A. Rose, II
Director, PIA Financial Services

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1984 FINANCIAL RATIO FOR TYPOGRAPHERS who participated in the 1984 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 31 firms and presents the ratios and statistics of typographers by sales volume and market.

Thus, the user of the report can direct himself to the standards for his sales size — for example, sales to $500,000, sales from $500,000 to $1,500,000 etc.; and market — for example, Printers and Lithographers, Advertising Agencies, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

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The National Composition Association, a special industry group of PIA, represents over 750 firms in the typesetting industry.

NCA provides extensive technical and managerial information on photocomposition, word processing, computers and pre-press systems. NCA Reports, a three-ring updatable binder of over 250 pages of information, is issued to all members and kept up-to-date with supplements. Type-X, the NCA Annual Convention and trade show is a unique opportunity to study the technology of photocomposition intently with both seminar and hands-on demonstrations. NCA NewsLine, a monthly newsletter, briefly and concisely summarizes industry developments. An Annual Awards Competition, the Typographic Excellence Awards Competition, recognizes outstanding examples of production excellence. The NCA library of publications and cassette tapes now contain over 100 titles on all facets of typesetting. To evaluate production efficiency with industry averages, NCA has introduced Benchmark Reports, a standardized text, with a computerized tabulation program. NCA Seminars are noted for in-depth presentation by knowledgeable and authoritative speakers. The NCA Research and Education Fund has been established to work in those areas that are important to the industry, but have no prospect of generating revenues to off-set costs.

NCA is governed by its own Board of Directors and Officers and is a self-supporting contributor to the efforts of the Printing Industries of America and its affiliated local organizations. We are pleased to endorse the PIA Ratio Reports and encourage participation in this vital program.

Tina H. Allman
Executive Director
National Composition Association
(703) 841-8165

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	2.40	3.39	1.82	2.99
Other chargeable materials	5.67	1.75	8.37	0.16
Outside services	3.12	1.63	2.61	1.21
TOTAL MATERIALS	11.19	6.77	12.80	4.36
FACTORY PAYROLL	43.40	42.11	40.73	46.14
FACTORY EXPENSES	17.07	12.90	20.11	13.75
TOTAL FACTORY COST OF PRODUCT	71.66	61.78	73.64	64.25
GROSS PROFIT	28.34	38.22	26.36	35.75
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	21.20	15.43	29.28	16.53
Selling expenses	8.23	7.42	4.50	5.83
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	29.43	22.85	33.78	22.36
INCOME (LOSS) BEFORE INTEREST EXPENSE	(1.09)	15.37	(7.42)	13.39
Interest expense	2.45	2.14	2.43	2.30
OPERATING INCOME (LOSS)	(3.54)	13.23	(9.85)	11.09
Other income (expense)	0.36	0.12	0.06	0.00
INCOME (LOSS) BEFORE INCOME TAXES	(3.18)	13.35	(9.79)	11.09

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	0.05%	0.09%	0.00%	
Film	4.18	1.53	0.24	
Plates	0.07	0.13	0.00	
Other chargeable materials	1.37	0.00	8.13	
TOTAL OTHER CHARGEABLE MATERIALS	5.67	1.75	8.37	***
OUTSIDE SERVICES				
Composition	0.49	0.41	0.40	0.91%
Offset preparation	0.54	0.39	0.00	0.00
Printing	0.81	0.09	0.16	0.00
Binding	0.03	0.10	0.00	0.00
Other outside services	1.25	0.64	2.05	0.30
TOTAL OUTSIDE SERVICES	3.12	1.63	2.61	1.21

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.
*** Information not submitted.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%
3.26	1.60	0.45	3.84	5.76
3.64	1.42	5.57	3.16	4.46
4.05	0.46	1.62	3.44	3.42
10.95	3.48	7.64	10.44	13.64
42.76	40.93	52.17	44.99	37.25
15.54	11.37	14.59	14.32	13.17
69.25	55.78	74.40	69.75	64.06
30.75	44.22	25.60	30.25	35.94
18.10	17.55	13.45	11.63	11.64
9.63	7.15	12.42	11.93	10.09
27.73	24.70	25.87	23.56	21.73
3.02	19.52	(0.27)	6.69	14.21
2.08	0.89	3.54	2.58	3.14
0.94	18.63	(3.81)	4.11	11.07
0.43	(0.18)	1.13	0.27	0.57
1.37	18.45	(2.68)	4.38	11.64
0.00%		0.00%	0.16%	0.24%
3.19		4.62	2.78	3.90
0.00		0.00	0.22	0.32
0.45		0.95	0.00	0.00
3.64	***	5.57	3.16	4.46
0.07		0.82	1.16	0.00
1.16		0.00	0.82	1.24
2.01		0.00	0.19	0.29
0.00		0.00	0.21	0.31
0.81		0.80	1.06	1.58
4.05	***	1.62	3.44	3.42

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	4.01%	5.16%	3.88%	8.03%
Direct wages	28.70	27.50	27.55	28.82
General factory salaries and wages	3.46	3.35	3.42	2.15
Packing, shipping and delivery wages	1.12	1.12	0.98	1.84
Payroll taxes	3.12	2.52	2.64	2.37
Employee benefits	2.99	2.46	2.26	2.93
TOTAL FACTORY PAYROLL	43.40	42.11	40.73	46.14
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.22	0.12	0.00	0.00
Depreciation - other	4.48	3.79	5.60	4.04
Taxes - real estate	0.05	0.16	0.02	0.00
Taxes - other	0.17	0.17	0.28	0.25
Insurance	0.76	0.54	0.98	0.73
Building rent	2.20	1.42	3.10	2.26
Utilities - heat, light, etc.	1.08	0.85	0.91	0.57
Equipment rental	2.27	0.46	2.03	0.00
Total Fixed Expenses	11.23	7.51	12.92	7.85
Other Expenses				
Factory supplies and expense	2.06	2.39	2.11	2.72
Packing, shipping and delivery expense	1.20	1.04	1.20	0.96
Repairs and maintenance	1.76	1.69	2.09	2.01
Other factory expenses	0.82	0.27	1.79	0.21
Total Other Expenses	5.84	5.39	7.19	5.90
TOTAL FACTORY EXPENSES	17.07	12.90	20.11	13.75
ADMINISTRATIVE EXPENSES				
Salaries - executive	7.95	5.04	12.28	6.50
Salaries - office	4.06	3.54	5.59	4.22
Payroll taxes	1.06	0.62	1.85	0.61
Employee benefits	1.03	0.86	1.38	0.86
Bad debts	0.80	0.36	0.81	0.51
Office supplies and expenses	0.98	1.10	1.15	1.02
Professional fees	0.97	0.83	0.81	0.59
Taxes - business	0.33	0.30	0.57	0.58
Telephone	1.01	0.96	1.27	1.11
Other administrative expenses	3.01	1.82	3.57	0.53
TOTAL ADMINISTRATIVE EXPENSES	21.20	15.43	29.28	16.53
SELLING EXPENSES				
Salaries - executive	1.54	1.63	1.60	3.01
Salaries and commissions - salesmen	2.87	2.43	0.77	1.00
Salaries - sales office clerical	0.67	0.81	0.00	0.00
Payroll taxes	0.32	0.34	0.16	0.34
Employee benefits	0.39	0.35	0.09	0.27
Advertising	0.91	0.62	1.35	0.69
Travel and entertainment	0.99	1.00	0.41	0.52
Other selling expenses	0.54	0.24	0.12	0.00
TOTAL SELLING EXPENSES	8.23	7.42	4.50	5.83

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
3.54%	2.95%	5.09%	4.94%	3.05%
28.72	26.24	31.50	29.50	26.80
3.11	5.85	5.33	2.51	2.66
1.24	0.85	1.58	0.61	0.31
3.40	2.44	3.74	3.10	2.83
2.75	2.60	4.93	4.33	1.60
42.76	40.93	52.17	44.99	37.25
0.30	0.42	0.58	0.28	0.00
4.07	3.15	2.35	4.49	4.07
0.06	0.38	0.00	0.19	0.20
0.09	0.04	0.04	0.24	0.19
0.71	0.38	0.56	0.31	0.42
1.72	0.60	1.82	1.01	0.96
1.05	0.36	1.41	1.49	1.75
3.21	1.51	1.77	0.12	0.09
11.21	6.84	8.53	8.13	7.68
1.85	2.61	1.91	2.92	1.69
0.80	0.82	2.60	0.92	1.37
1.50	0.93	1.37	2.03	1.95
0.18	0.17	0.18	0.32	0.48
4.33	4.53	6.06	6.19	5.49
15.54	11.37	14.59	14.32	13.17
6.35	5.10	3.65	2.69	2.72
3.16	2.89	3.28	2.59	3.17
0.61	0.85	0.56	0.36	0.41
0.79	1.20	1.03	0.64	0.53
1.04	0.08	0.24	0.52	0.42
1.09	1.69	0.56	0.46	0.64
1.09	1.33	1.21	0.84	0.70
0.25	0.19	0.11	0.02	0.00
0.82	0.65	0.82	0.95	1.04
2.90	3.57	1.99	2.56	2.01
18.10	17.55	13.45	11.63	11.64
1.04	0.00	1.95	2.70	1.19
3.90	3.73	5.76	3.45	3.27
0.86	0.53	1.06	2.03	2.30
0.38	0.25	0.45	0.55	0.45
0.46	0.47	0.54	1.08	0.35
0.72	0.87	0.64	0.23	0.28
1.37	1.30	1.49	1.10	1.41
0.90	0.00	0.53	0.79	0.84
9.63	7.15	12.42	11.93	10.09

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000	
ASSETS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
CURRENT ASSETS				
Cash	7.67%	15.67%	11.86%	17.18%
Receivables	34.43	21.23	28.86	18.61
Inventories	6.96	8.48	2.12	0.26
Other current assets	8.00	11.80	7.24	8.43
TOTAL CURRENT ASSETS	57.06	57.18	50.08	44.48
FIXED ASSETS				
Real estate	6.02	3.83	0.00	0.00
Less: Accumulated depreciation	1.78	0.47	0.00	0.00
	4.24	3.36	0.00	0.00
Machinery and equipment	61.58	54.31	70.17	70.83
Less: Accumulated depreciation	31.24	23.10	28.32	24.58
	30.34	31.21	41.85	46.25
Other fixed assets	8.92	6.03	8.67	1.64
Less: Accumulated depreciation	4.23	2.46	3.44	0.99
	4.69	3.57	5.23	0.65
NET FIXED ASSETS	39.27	38.14	47.08	46.90
OTHER ASSETS	3.67	4.68	2.84	8.62
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	11.57	12.04	10.33	16.11
Accounts payable	11.06	8.88	11.70	12.50
Other current liabilities	10.56	9.04	4.36	1.78
TOTAL CURRENT LIABILITIES	33.19	29.96	26.39	30.39
LONG-TERM LIABILITIES	32.00	17.73	41.97	20.40
TOTAL LIABILITIES	65.19	47.69	68.36	50.79
SHAREHOLDERS' AND PROPRIETORS' EQUITY	34.81	52.31	31.64	49.21
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.72	1.91	1.90	1.46
QUICK RATIO	1.51	1.63	1.82	1.46
TOTAL LIABILITIES TO EQUITY	1.87	0.91	2.16	1.03
LONG-TERM LIABILITIES TO EQUITY	0.92	0.34	1.33	0.41
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.51	0.43	0.40	0.35

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
6.28%	25.21%	1.96%	4.11%	3.89%
42.98	18.30	33.09	24.30	28.13
3.72	4.16	20.27	21.60	25.12
7.80	26.07	15.32	2.01	2.56
60.78	73.74	70.64	52.02	59.70
8.08	8.63	12.82	12.76	4.79
3.86	1.36	1.60	0.83	0.30
4.22	7.27	11.22	11.93	4.49
60.85	34.54	47.22	49.28	49.28
35.42	17.88	32.14	24.91	26.10
25.43	16.66	15.08	24.37	23.18
7.32	1.95	8.48	16.90	16.71
3.38	1.02	6.81	7.39	6.12
3.94	0.93	1.67	9.51	10.59
33.59	24.86	27.97	45.81	38.26
5.63	1.40	1.39	2.17	2.04
100.00	100.00	100.00	100.00	100.00
12.32	2.28	12.46	12.34	15.68
11.76	4.39	9.84	7.30	7.95
11.41	9.71	22.59	15.99	19.26
35.49	16.38	44.89	35.63	42.89
24.75	10.14	28.74	25.46	21.30
60.24	26.52	73.63	61.09	64.19
39.76	73.48	26.37	38.91	35.81
100.00	100.00	100.00	100.00	100.00
1.71	4.50	1.57	1.46	1.39
1.61	4.25	1.12	0.85	0.81
1.52	0.36	2.79	1.57	1.79
0.62	0.14	1.09	0.65	0.59
0.58	0.52	0.68	0.51	0.53

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 22,153	$ 36,983	$ 16,985	$ 15,789
Average assets per factory employee (Excluding Executives)	31,529	52,026	25,854	24,978
Average net worth per employee - All employees	9,384	22,501	5,372	7,609
Average gross plant investment per factory employee (Excluding Executives)	22,510	27,284	20,089	18,226
Net worth percentage of fixed assets	125.76%	173.76%	121.38%	134.30%
EMPLOYEES				
Percent factory - All employees	75.18%	77.01%	69.87%	75.00%
Percent administrative - All employees	17.43	15.22	26.10	18.65
Percent sales - All employees	7.39	7.77	4.03	6.35
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 37,098	$ 41,537	$ 32,359	$ 32,047
Sales per factory employee	50,419	53,874	48,474	42,729
Sales less material per factory employee	44,659	50,002	42,564	40,953
Sales per administrative employee	269,505	303,634	113,308	180,716
EXCLUDING EXECUTIVES				
Sales per employee - All employees	43,840	48,496	42,166	42,905
Sales per factory employee	53,882	59,063	51,818	51,054
Sales less material per factory employee	47,758	54,956	45,570	48,980
SALES PER SALESMAN	563,464	285,773	89,154	64,802
SALES TO CURRENT ASSETS	434%	341%	546%	508%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	63.30%	57.73%	64.46%	62.96%
Factory payroll percentage of gross plant investment	138.40	112.16	121.09	144.72
Payroll per employee - All employees	$ 22,721	$ 23,545	$ 20,296	$ 20,238
Payroll per factory employee	21,350	22,324	19,411	19,689
Payroll per administrative employee	27,111	27,339	19,537	20,687
Payroll per sales employee	24,393	23,047	11,257	17,272
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 17,377	$ 18,537	$ 15,492	$ 15,689
Payroll per factory employee	17,545	18,713	16,348	16,372
Payroll per administrative employee	12,500	14,386	8,163	11,550
Payroll per sales employee	14,428	14,122	1,915	3,695
EXECUTIVE PAYROLL				
Payroll per executive - All executives	34,089	39,780	24,124	24,177
Payroll per factory executive	21,219	20,497	13,490	22,793
Payroll per administrative executive	34,215	44,232	21,113	25,835
Payroll per sales executive	21,155	32,999	11,486	16,082
RECEIVABLES				
Collection period	62.7	57.5	56.0	37.2
PROFIT				
Gross profit percentage of sales	28.34%	38.22%	26.36%	35.75%
Average gross profit per factory employee	$ 15,655	$ 22,595	$ 14,133	$ 18,071
Income (loss) before taxes percentage of sales	(3.18)%	13.35%	(9.79)%	11.09%
Average income (loss) before taxes per employee	$ (548)	$ 5,667	$ (3,074)	$ 3,495

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 25,443	$ 74,316	$ 23,980	$ 27,226	$ 31,442
35,266	103,557	33,667	36,435	41,066
14,359	57,143	6,317	9,625	10,198
23,540	40,308	23,168	27,194	27,847
132.93%	307.92%	143.84%	90.55%	98.80%
78.64%	77.81%	78.13%	78.67%	79.24%
12.38	14.78	12.97	8.92	10.51
8.98	7.41	8.90	12.41	10.25
$ 39,418	$ 48,416	$ 40,151	$ 42,701	$ 48,893
50,935	62,895	51,960	54,082	61,571
44,932	60,712	47,806	47,753	52,866
355,956	327,658	316,527	485,792	463,989
44,018	53,185	45,765	47,263	52,193
53,569	65,128	57,959	57,953	65,012
47,195	62,866	53,314	51,362	56,009
283,677	156,836	489,874	1,567,841	635,683
408%	153%	251%	332%	279%
60.31%	55.97%	70.45%	61.08%	51.64%
164.43	86.91	146.18	93.19	88.58
$ 22,996	$ 27,171	$ 27,712	$ 24,664	$ 24,878
21,166	25,978	26,507	22,967	22,624
34,683	33,000	24,787	30,219	31,656
28,756	16,536	43,428	34,107	38,222
$ 17,388	$ 21,318	$ 21,811	$ 18,964	$ 20,027
17,192	21,614	21,484	18,488	19,325
15,196	15,380	13,084	18,290	17,647
16,802	14,135	36,693	25,293	29,751
39,404	43,699	37,140	48,621	59,265
25,243	22,262	32,708	20,723	15,286
39,044	42,109	42,084	56,816	73,952
10,949	0	44,795	69,138	91,373
68.6	80.1	69.6	56.5	65.2
30.75%	44.22%	25.60%	30.25%	35.94%
$ 16,598	$ 28,549	$ 15,357	$ 18,373	$ 23,426
1.37%	18.45%	(2.68)%	4.38%	11.64%
$ 1.186	$ 8,872	$ (673)	$ 2,789	$ 5,720

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 3.95	$11.19	$ 4.18	$ 7.81
Receivables	16.85	15.43	15.04	10.02
Inventories	4.23	5.83	1.18	0.09
Marketable securities	5.22	18.00	2.09	2.77
Other current assets	2.43	2.13	1.90	1.19
	32.68	52.58	24.39	21.88
Plant Investment:				
Land and building	5.74	7.17	0.00	0.00
Machinery and equipment	32.47	33.47	34.58	36.61
Other fixed assets	4.95	4.86	4.64	1.29
	43.16	45.50	39.22	37.90
Non-Current Assets	2.17	3.63	1.65	5.24
TOTAL INVESTMENT	78.01	101.71	65.26	65.02
INVESTMENT TURNOVER PER $100 OF SALES	128.19%	98.32%	153.23%	153.80%
EARNINGS				
Cost of Product	$71.66	$61.78	$73.64	$64.25
Selling Expenses	8.23	7.42	4.50	5.83
Administrative Expenses	21.20	15.43	29.28	16.53
	101.09	84.63	107.42	86.61
Income (loss) Before Interest, Other Income (Expense), and Taxes	(1.09)	15.37	(7.42)	13.39
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	(1.40)%	15.11%	(11.37)%	20.59%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 4.99	$25.12	$ 1.25	$ 2.50	$ 2.34
18.46	21.25	18.58	15.25	17.71
2.27	5.67	12.85	12.74	14.61
10.06	58.84	4.04	0.00	0.00
1.95	3.79	6.23	1.44	1.88
37.73	114.67	42.95	31.93	36.54
7.98	21.41	14.29	8.38	3.68
32.91	33.47	27.16	29.38	28.77
4.00	4.83	4.60	10.40	10.25
44.89	59.71	46.05	48.16	42.70
3.29	3.46	0.94	1.41	1.37
85.91	177.84	89.94	81.50	80.61
116.40%	56.23%	111.19%	122.70%	124.05%
$69.25	$55.78	$74.40	$69.75	$64.06
9.63	7.15	12.42	11.93	10.09
18.10	17.55	13.45	11.63	11.64
96.98	80.48	100.27	93.31	85.79
3.02	19.52	(0.27)	6.69	14.21
3.52%	10.98%	(0.30)%	8.21%	17.63%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	1.00	2.51	2.49
Other chargeable materials	1.64	0.23	3.21
Outside services	1.45	1.28	3.08
TOTAL MATERIALS	4.09	4.02	8.78
FACTORY PAYROLL	43.64	47.23	47.09
FACTORY EXPENSES	17.57	13.59	19.06
TOTAL FACTORY COST OF PRODUCT	65.30	64.84	74.93
GROSS PROFIT	34.70	35.16	25.07
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	36.50	16.97	23.19
Selling expenses	5.08	4.50	10.82
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	41.58	21.47	34.01
INCOME (LOSS) BEFORE INTEREST EXPENSE	(6.88)	13.69	(8.94)
Interest expense	0.47	0.44	4.25
OPERATING INCOME (LOSS)	(7.35)	13.25	(13.19)
Other income (expense)	(0.45)	(1.13)	1.68
INCOME (LOSS) BEFORE INCOME TAXES	(7.80)	12.12	(11.51)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.00%		0.00%
Film	1.64		1.87
Plates	0.00		0.00
Other chargeable materials	0.00		1.34
TOTAL OTHER CHARGEABLE MATERIALS	1.64	***	3.21
OUTSIDE SERVICES			
Composition	1.45	1.28%	0.45
Offset preparation	0.00	0.00	0.00
Printing	0.00	0.00	0.15
Binding	0.00	0.00	0.00
Other outside services	0.00	0.00	2.48
TOTAL OUTSIDE SERVICES	1.45	1.28	3.08

** Sample insufficient for Profit Leaders.
*** Information not submitted.

PUBLISHERS		BOOKS		DIRECT BUYERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2.19	4.38	1.69	3.37	3.83	1.60
4.46	3.73	2.35	2.14	13.32	4.14
7.59	2.89	0.96	1.36	3.65	0.69
14.24	11.00	5.00	6.87	20.80	6.43
43.13	38.20	44.20	43.17	39.50	42.68
12.82	12.19	15.01	14.69	19.77	9.63
70.19	61.39	64.21	64.73	80.07	58.74
29.81	38.61	35.79	35.27	19.93	41.26
13.96	12.54	15.97	13.83	15.14	24.17
11.27	11.51	11.31	9.28	6.42	0.70
25.23	24.05	27.28	23.11	21.56	24.87
4.58	14.56	8.51	12.16	(1.63)	16.39
2.44	2.67	3.69	3.56	1.33	2.25
2.14	11.89	4.82	8.60	(2.96)	14.14
(0.16)	(0.21)	0.44	1.49	(0.20)	0.25
1.98	11.68	5.26	10.09	(3.16)	14.39

0.14%	0.39%	0.00%	0.00%	0.00%	
3.67	2.82	2.35	2.14	13.32	
0.19	0.52	0.00	0.00	0.00	
0.46	0.00	0.00	0.00	0.00	
4.46	3.73	2.35	2.14	13.32	***
0.14	0.00	0.05	0.10	0.00	
2.81	1.39	0.00	0.00	0.00	
3.90	0.32	0.00	0.00	0.00	
0.16	0.34	0.00	0.00	0.00	
0.58	0.84	0.91	1.26	3.65	
7.59	2.89	0.96	1.36	3.65	***

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	5.44%	9.23%	3.67%
Direct wages	22.18	27.15	31.43
General factory salaries and wages	8.11	3.22	3.34
Packing, shipping and delivery wages	1.34	2.75	2.55
Payroll taxes	2.15	1.42	3.98
Employee benefits	4.42	3.46	2.12
TOTAL FACTORY PAYROLL	43.64	47.23	47.09
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.17	0.00	0.00
Depreciation - other	4.75	2.72	5.97
Taxes - real estate	0.04	0.00	0.00
Taxes - other	0.43	0.38	0.19
Insurance	0.45	0.70	1.03
Building rent	2.03	2.59	2.62
Utilities - heat, light, etc.	0.77	0.61	1.77
Equipment rental	2.43	0.00	2.35
Total Fixed Expenses	11.07	7.00	13.93
Other Expenses			
Factory supplies and expense	3.18	3.48	1.12
Packing, shipping and delivery expense	0.42	0.92	1.60
Repairs and maintenance	2.85	2.06	1.57
Other factory expenses	0.05	0.13	0.84
Total Other Expenses	6.50	6.59	5.13
TOTAL FACTORY EXPENSES	17.57	13.59	19.06
ADMINISTRATIVE EXPENSES			
Salaries - executive	15.72	7.23	8.93
Salaries - office	10.18	5.15	3.70
Payroll taxes	2.78	0.53	0.84
Employee benefits	1.51	1.10	0.60
Bad debts	0.36	0.41	2.04
Office supplies and expenses	0.54	0.95	1.34
Professional fees	0.63	0.06	1.14
Taxes - business	0.27	0.60	0.28
Telephone	1.02	0.89	1.17
Other administrative expenses	3.49	0.05	3.15
TOTAL ADMINISTRATIVE EXPENSES	36.50	16.97	23.19
SELLING EXPENSES			
Salaries - executive	2.53	3.47	1.00
Salaries and commissions - salesmen	0.75	0.00	4.98
Salaries - sales office clerical	0.30	0.00	0.80
Payroll taxes	0.25	0.23	0.47
Employee benefits	0.62	0.26	0.33
Advertising	0.40	0.54	0.90
Travel and entertainment	0.09	0.00	1.40
Other selling expenses	0.14	0.00	0.94
TOTAL SELLING EXPENSES	5.08	4.50	10.82

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS		DIRECT BUYERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
3.04%	4.56%	3.04%	4.56%	4.79%	4.79%
28.20	27.83	28.20	27.83	26.09	26.09
5.39	8.46	5.39	8.46	2.49	2.49
1.66	0.74	1.66	0.74	0.70	0.70
3.11	3.66	3.11	3.66	2.04	2.04
3.39	2.83	3.39	2.83	3.47	3.47
44.79	48.08	44.79	48.08	39.58	39.58
0.12	0.41	0.12	0.41	1.38	1.38
4.32	3.70	4.32	3.70	4.60	4.60
0.11	0.38	0.11	0.38	0.19	0.19
0.11	0.05	0.11	0.05	0.00	0.00
0.82	0.80	0.82	0.80	0.74	0.74
1.58	0.40	1.58	0.40	2.55	2.55
0.97	1.09	0.97	1.09	0.75	0.75
2.02	0.00	2.02	0.00	2.37	2.37
10.05	6.83	10.05	6.83	12.58	12.58
2.80	4.56	2.80	4.56	1.76	1.76
2.40	1.23	2.40	1.23	2.95	2.95
2.28	2.86	2.28	2.86	2.57	2.57
0.45	0.31	0.45	0.31	0.05	0.05
7.93	8.96	7.93	8.96	7.33	7.33
17.98	15.79	17.98	15.79	19.91	19.91
4.89	3.55	4.89	3.55	3.17	3.17
2.88	3.11	2.88	3.11	2.37	2.37
0.43	0.49	0.43	0.49	0.70	0.70
0.73	0.68	0.73	0.68	0.47	0.47
0.69	0.11	0.69	0.11	0.01	0.01
1.07	1.37	1.07	1.37	0.44	0.44
1.28	0.43	1.28	0.43	0.53	0.53
0.54	0.03	0.54	0.03	0.04	0.04
0.71	0.64	0.71	0.64	0.78	0.78
1.57	0.43	1.57	0.43	3.42	3.42
14.79	10.84	14.79	10.84	11.93	11.93
1.39	0.00	1.39	0.00	0.98	0.98
4.02	7.34	4.02	7.34	5.77	5.77
0.17	0.59	0.17	0.59	0.00	0.00
0.31	0.62	0.31	0.62	0.14	0.14
0.23	0.35	0.23	0.35	0.51	0.51
1.90	0.76	1.90	0.76	0.36	0.36
2.16	0.71	2.16	0.71	1.70	1.70
0.35	1.21	0.35	1.21	0.17	0.17
10.53	11.58	10.53	11.58	9.63	9.63

BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	24.91%	22.16%	2.97%
Receivables	12.07	15.61	35.58
Inventories	3.61	0.40	4.62
Other current assets	5.83	10.65	7.90
TOTAL CURRENT ASSETS	46.42	48.82	51.07
FIXED ASSETS			
Real estate	5.74	0.00	8.29
Less: Accumulated depreciation	0.37	0.00	4.60
	5.37	0.00	3.69
Machinery and equipment	78.45	69.83	64.22
Less: Accumulated depreciation	34.83	24.77	30.41
	43.62	45.06	33.81
Other fixed assets	7.64	0.00	13.21
Less: Accumulated depreciation	5.98	0.00	4.60
	1.66	0.00	8.61
NET FIXED ASSETS	50.65	45.06	46.11
OTHER ASSETS	2.93	6.12	2.82
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	11.43	15.54	16.21
Accounts payable	9.45	18.19	11.90
Other current liabilities	2.22	0.68	7.85
TOTAL CURRENT LIABILITIES	23.10	34.41	35.96
LONG-TERM LIABILITIES	26.30	5.48	52.61
TOTAL LIABILITIES	49.40	39.89	88.57
SHAREHOLDERS' AND PROPRIETORS' EQUITY	50.60	60.11	11.43
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.01	1.42	1.42
QUICK RATIO	1.85	1.41	1.29
TOTAL LIABILITIES TO EQUITY	0.98	0.66	7.75
LONG-TERM LIABILITIES TO EQUITY	0.52	0.09	4.60
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.44	0.35	0.47

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS		DIRECT BUYERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
3.68%	7.38%	4.43%	5.87%	2.16%	19.86%
36.80	20.20	28.75	25.97	51.69	23.39
16.85	10.40	12.65	16.46	4.65	2.81
14.21	27.26	8.35	2.31	7.11	4.17
71.54	65.24	54.18	50.61	65.61	50.23
6.71	13.42	12.82	0.00	1.67	0.00
0.83	1.66	1.60	0.00	0.85	0.00
5.88	11.76	11.22	0.00	0.82	0.00
27.05	24.78	64.92	68.31	62.21	68.76
16.03	11.80	38.90	31.65	32.95	33.76
11.02	12.98	26.02	36.66	29.26	35.00
9.17	9.60	10.01	11.52	5.66	5.29
4.21	2.32	5.88	6.30	2.40	2.46
4.96	7.28	4.13	5.22	3.26	2.83
21.86	32.02	41.37	41.88	33.34	37.83
6.60	2.74	4.45	7.51	1.05	11.94
100.00	100.00	100.00	100.00	100.00	100.00
15.77	12.47	10.03	11.82	6.13	9.79
10.93	6.51	3.86	4.77	16.50	4.58
17.13	14.23	19.11	14.34	11.68	7.57
43.83	33.21	33.00	30.93	34.31	21.94
16.41	14.46	38.11	32.50	21.74	23.85
60.24	47.67	71.11	63.43	56.05	45.79
39.76	52.33	28.89	36.57	43.95	54.21
100.00	100.00	100.00	100.00	100.00	100.00
1.63	1.96	1.64	1.64	1.91	2.29
1.25	1.65	1.26	1.10	1.78	2.16
1.52	0.91	2.46	1.73	1.28	0.84
0.41	0.28	1.32	0.89	0.49	0.44
0.59	0.48	0.60	0.46	0.53	0.49

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 11,662	$ 13,283	$ 20,855
Average assets per factory employee (Excluding Executives)	21,321	21,642	30,934
Average net worth per employee - All employees	6,021	8,565	4,063
Average gross plant investment per factory employee (Excluding Executives)	19,899	15,034	27,223
Net worth percentage of fixed assets	195.03%	174.38%	47.62%
EMPLOYEES			
Percent factory - All employees	60.18%	75.00%	71.89%
Percent administrative - All employees	34.81	20.83	18.23
Percent sales - All employees	5.01	4.17	9.88
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 28,533	$ 34,835	$ 35,106
Sales per factory employee	49,724	46,447	49,727
Sales less material per factory employee	47,699	44,674	45,116
Sales per administrative employee	190,814	178,427	246,838
EXCLUDING EXECUTIVES			
Sales per employee - All employees	40,111	47,665	41,525
Sales per factory employee	54,668	56,440	51,985
Sales less material per factory employee	52,477	54,347	47,160
SALES PER SALESMAN	2,500,000	0	107,579
SALES TO CURRENT ASSETS	766%	584%	373%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	78.26%	65.21%	68.72%
Factory payroll percentage of gross plant investment	134.30	181.09	118.08
Payroll per employee - All employees	$ 21,508	$ 22,619	$ 23,867
Payroll per factory employee	20,841	21,773	22,911
Payroll per administrative employee	22,480	23,099	24,779
Payroll per sales employee	12,610	18,586	26,442
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 16,358	$ 17,269	$ 18,783
Payroll per factory employee	16,862	18,074	19,163
Payroll per administrative employee	14,926	12,500	12,517
Payroll per sales employee	3,276	0	18,908
EXECUTIVE PAYROLL			
Payroll per executive - All executives	23,895	28,075	33,634
Payroll per factory executive	16,781	26,154	21,194
Payroll per administrative executive	23,798	30,229	29,100
Payroll per sales executive	11,440	16,265	13,330
RECEIVABLES			
Collection period	19.8	19.9	73.7
PROFIT			
Gross profit percentage of sales	34.70%	35.16%	25.07%
Average gross profit per factory employee	$ 19,223	$ 19,671	$ 13,343
Income (loss) before taxes percentage of sales	(7.80)%	12.12%	(11.51)%
Average income (loss) before taxes per employee	$ (1,067)	$ 4,048	$ (3,890)

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS		DIRECT BUYERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 48,531	$ 82,104	$ 21,430	$ 20,779	$ 16,902	$ 23,260
67,096	112,750	29,345	30,886	22,528	28,672
28,862	53,544	6,068	7,596	7,805	13,069
27,631	46,689	24,776	24,639	16,299	20,255
272.37%	220.40%	76.63%	96.03%	103.19%	160.53%
74.25%	75.68%	80.91%	76.24%	83.05%	84.74%
13.85	13.19	9.70	11.87	11.98	15.26
11.90	11.13	9.39	11.89	4.97	0.00
$ 43,931	$ 52,039	$ 33,023	$ 34,708	$ 42,685	$ 38,606
59,910	68,839	40,983	45,362	52,749	45,496
51,293	61,349	38,758	42,063	42,385	42,869
324,513	403,162	381,799	319,648	261,262	255,270
47,843	54,705	37,455	40,769	49,851	43,148
61,076	68,839	44,653	51,298	57,844	47,729
52,264	61,349	42,195	47,573	46,621	45,023
507,269	396,259	330,226	64,802	407,000	0
239%	147%	320%	336%	455%	378%
61.17%	55.14%	62.64%	58.17%	51.88%	55.44%
278.00	59.91	85.34	89.49	127.67	99.83
$ 25,855	$ 28,419	$ 20,549	$ 20,168	$ 22,368	$ 20,650
24,318	26,363	18,027	19,499	20,899	18,896
30,797	33,644	43,149	23,695	21,673	30,322
34,623	40,644	32,430	21,436	26,673	0
$ 20,157	$ 22,758	$ 15,365	$ 16,018	$ 16,525	$ 16,174
20,420	22,345	14,868	16,159	16,617	16,090
16,129	17,219	8,379	12,427	9,779	18,243
25,637	32,400	27,487	17,028	8,390	0
49,413	61,062	42,836	28,889	28,773	34,520
17,199	0	26,233	23,322	23,261	22,262
47,617	55,064	60,202	49,907	26,466	32,930
46,081	50,560	37,831	48,671	19,541	0
84.1	94.2	62.2	60.6	70.4	53.1
29.81%	38.61%	35.79%	35.27%	19.93%	41.26%
$ 19,435	$ 26,582	$ 15,855	$ 17,914	$ 12,482	$ 20,726
1.98%	11.68%	5.26%	10.09%	(3.16)%	14.39%
$ 1,822	$ 6,091	$ 1,858	$ 3,591	$ (1,047)	$ 6,568

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 7.73	$ 8.88	$ 1.58
Receivables	5.16	5.38	19.48
Inventories	2.06	0.14	2.78
Marketable securities	1.66	4.16	0.00
Other current assets	0.53	0.21	4.64
	17.14	18.77	28.48
Plant Investment:			
Land and building	3.56	0.00	6.17
Machinery and equipment	30.41	26.30	39.60
Other fixed assets	3.13	0.00	7.87
	37.10	26.30	53.64
Non-Current Assets	1.31	2.51	1.66
TOTAL INVESTMENT	55.55	47.58	83.78
INVESTMENT TURNOVER PER $100 OF SALES	180.02%	210.17%	119.36%
EARNINGS			
Cost of Product	$65.30	$64.84	$74.93
Selling Expenses	5.08	4.50	10.82
Administrative Expenses	36.50	16.97	23.19
	106.88	86.31	108.94
Income (Loss), Before Interest, Other Income (Expense), and Taxes	(6.88)	13.69	(8.94)
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	(12.39)%	28.77%	(10.67)%

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS		DIRECT BUYERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 7.76	$15.51	$ 2.76	$ 3.93	$ 0.85	$11.12
22.81	25.35	16.87	16.27	19.17	14.31
12.21	10.97	8.07	7.96	1.78	1.62
29.42	58.84	4.79	0.00	2.10	0.00
2.80	4.94	1.44	1.72	1.66	2.69
75.00	115.61	33.93	29.88	25.56	29.74
12.54	25.08	14.29	0.00	0.44	0.00
23.85	31.68	38.42	44.03	25.27	43.20
7.42	10.71	5.23	6.31	2.11	3.57
43.81	67.47	57.94	50.34	27.82	46.77
3.86	4.49	3.30	5.69	0.36	8.05
122.67	187.57	95.17	85.91	53.74	84.56
81.52%	53.31%	105.08%	116.40%	186.08%	118.26%
$70.19	$61.39	$64.21	$64.73	$80.07	$58.74
11.27	11.51	11.31	9.28	6.42	0.70
13.96	12.54	15.97	13.83	15.14	24.17
95.42	85.44	91.49	87.84	101.63	83.61
4.58	14.56	8.51	12.16	(1.63)	16.39
3.73%	7.76%	8.94%	14.15%	(3.03)%	19.38%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	31	$ 924,000	$1,478,000	$ 32,000
TOTAL - PROFIT LEADERS*	7	2,017,000	2,801,000	340,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	12	138,000	256,000	(15,000)
$500,000-$1,500,000	12	644,000	938,000	20,000
$1,500,000-$3,000,000	4	1,323,000	2,107,000	(62,000)
Over $3,000,000	3	4,657,000	7,684,000	390,000
PROFIT LEADERS				
0-$500,000	3	203,000	402,000	44,000
$500,000-$1,500,000	2	1,900,000	1,117,000	191,000
Over $3,000,000	2	4,853,000	8,085,000	934,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	5	927,000	1,578,000	(126,000)
Advertising Agencies	8	479,000	810,000	(53,000)
Publishers	4	2,474,000	2,720,000	156,000
Books	4	1,812,000	3,198,000	278,000
Direct Buyers	8	269,000	788,000	6,000
Other	2	442,000	734,000	125,000
PROFIT LEADERS				
Printers and Lithographers	2	159,000	418,000	49,000
Publishers	2	4,197,000	3,983,000	477,000
Books	2	2,450,000	4,952,000	549,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales: Firm's Ratio Factory Payroll	% of Sales: PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 =	20.7%

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1984 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1985 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director
PIA Financial Services